

Georgia Department of Community Health
Frequently Asked Questions (FAQ)
Survey Regarding Governmental Status of Health Care Providers

Frequently Asked Questions

1. Q Question #2 refers to the **Social Security Act section 1903(w)(7)(G)**, what does this section say?

A Social Security Act section 1903(w)(7)G states: "The term "unit of local government" means, with respect to a State, a city, county, special purpose district, or other governmental unit in the State." (These options are available in the pull down menu of the second box for question 2).

2. Q In the definition of the term "Unit of Local Government" as contained in the Social Security Act, what is meant by the term "**other governmental unit**"?

A CMS is interpreting this term to mean entities that are not cities, counties or special purpose districts, but have qualities that are generally shared by those specifically listed entities. (5/29/07 FR p. 29752)

3. Q What is the definition of a "**component unit**" on the consolidated annual financial report (CAFR)?

A A component unit of a consolidated annual financial statement is a unit whose Assets, Liabilities, Revenues and Expenses are included either separately or through consolidation within the government entity's financial statements. (5/29/07 FR p.29753)

4. Q What is meant by the term "**Special Purpose Districts**"?

A By grouping "special purpose districts" with "cities" and "counties", CMS is indicating that special purpose districts have qualities generally held by cities and counties. One of those qualities, for example, is authority to impose taxes or directly access tax revenues. (5/29/07 FR p. 29757)

5. Q What does the phrase "**generally applicable taxing authority**" mean?

A Generally applicable taxing authority exists when a "unit of government" has the authority to levy taxes. CMS has asserted that a unit of government includes entities with generally applicable taxing authority, or entities that have "direct access to tax revenues". For example, when a tax is imposed and collected by a State but is dedicated for use by a municipality or other entity, that entity would satisfy the criteria of direct access to tax revenues. Similarly, a county-operated hospital that is recognized in the county's budget to receive local tax revenues via county appropriations (without the necessity of contractual agreements), would satisfy the criteria of direct access to tax revenues. (5/29/07 FR p. 29760)

Georgia Department of Community Health
Frequently Asked Questions (FAQ)
Survey Regarding Governmental Status of Health Care Providers

Frequently Asked Questions

6. Q Where would I find a copy of the government's **consolidated annual financial report** (CAFR)?
- A If you suspect your entity is included as a component unit in the CAFR of a unit of government, you should contact the treasurer or controller of the unit of government (city, county, etc.) to request a copy of the most recent financial statements and then determine if your entity's Assets, Liabilities, Revenues and Expenses are reflected in the financial statements.
7. Q What if I am unsure of the governmental entities **obligation to fund our expenses, liabilities, and deficits**?
- A You may need to consult with the leadership of the governmental unit (i.e. treasurer, county commissioners, etc.), to determine the governmental units responsibilities with respect to your entity. If the relationship is still unclear, consult your legal advisor as to the obligation of the governmental unit with respect to your expenses, liabilities and deficits.